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Congress of the United States
House of Representatives
Committee on Appropriations
Washington, DC 20515-6015

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May 24, 2005

Chairman William H. Donaldson
Securities and Exchange Commission
450 5th Street, NW
Washington, DC 20549

Dear Mr. Donaldson:

I am troubled by recent reports that the Securities and Exchange Commission (SEC) has not accurately budgeted the costs of their facilities in New York, NY; Washington, DC; and Boston, MA.

The Committee provided the requested appropriation for the SEC in fiscal year 2005, but has been verbally informed that there may be a shortfall of more than \$20,000,000 this year and possibly more than \$50,000,000 in total through fiscal year 2007. If the SEC needs to reprogram current year resources or reconfigure its fiscal year 2006 request, I urge you to immediately send a formal reprogramming notification for fiscal year 2005 and a budget amendment from the Office of Management and Budget for fiscal year 2006 for the Committee's consideration.

The Committee has also asked the Government Accountability Office (GAO) to examine this matter and report on the following: (1) the amount of funding for these projects that was not initially planned; (2) the actions that caused the change in budget plans; (3) the actions taken by the SEC since this budgeting problem was uncovered; and (4) any corrective actions to prevent this problem from recurring. I ask that you provide the GAO with any information they may need to complete this review in a timely manner.

Thank you for your attention to this matter.

Sincerely,

Frank R. Wolf
Chairman
Subcommittee on Science, the Departments
of State, Justice, and Commerce, and
Related Agencies

Enclosed is the letter
I sent to GAO

Thank you